



***United States Attorney
Southern District of New York***

FOR IMMEDIATE RELEASE
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**U.S. CHARGES NEW YORK CITY POLICE
SERGEANT WITH THREE SEPARATE FRAUD SCHEMES**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, RUTH RITZEMA, the Special Agent in Charge for the United States Department of Housing and Urban Development ("HUD"), Office of Inspector General ("OIG"), and MARTIN D. FICKE, the Special Agent in Charge for the Bureau of Immigration and Customs Enforcement ("ICE"), announced today that MARTIN PETERS, a Sergeant with the New York City Police Department ("NYPD"), has been charged in an Indictment and a Complaint with three separate fraud schemes -- conspiring to take HUD rental subsidies to which he was not entitled, falsely reporting his household income and expenses in a bankruptcy filing and obtaining United States citizenship through a sham marriage. MARTIN PETERS' parents, CLAUDETTE PETERS and ALFRED PETERS, were also charged in the HUD scheme.

According to the two-count Complaint charging MARTIN PETERS, CLAUDETTE PETERS and ALFRED PETERS with housing subsidies fraud, CLAUDETTE PETERS and ALFRED PETERS had an apartment located

in Manhattan (the "Manhattan Apartment"), for which they received Section 8 subsidies paid by the U.S. Department of Housing and Urban Development ("HUD"). Tenants of Section 8 housing have to meet certain low-income eligibility requirements. In approximately January 1999, CLAUDETTE PETERS entered into a lease with a private landlord for a rent-stabilized apartment in Brooklyn (the "Brooklyn Apartment") and has been living there with her husband ALFRED PETERS. According to the Complaint, MARTIN PETERS has been living in the Manhattan Apartment with his wife (the "Wife") since at least October 1998.

According to the Complaint, MARTIN PETERS and his Wife together earned approximately \$66,000 to \$91,000 in salary during the years 2000 through 2004 and accordingly would have been ineligible to obtain HUD rental subsidies. During this time, CLAUDETTE PETERS and/or ALFRED PETERS annually submitted statements to HUD as the purported tenants of the Manhattan Apartment. In these statements, CLAUDETTE PETERS and/or ALFRED PETERS failed to disclose that MARTIN PETERS and his Wife were living in the Manhattan Apartment and failed to report the salaries of MARTIN PETERS and his Wife. As a result of the scheme, the tenants of the Manhattan Apartment paid rent in amounts ranging from \$223 to \$355 per month, and HUD paid out housing subsidies totaling approximately \$38,724.

According to the Complaint, MARTIN PETERS filed for bankruptcy protection in September 2002. His petition omitted his

Wife's income and claimed that his current monthly rent was \$849. According to the Complaint, his monthly rent at the time was \$286. According to Bankruptcy Court records, in January 2003, MARTIN PETERS was discharged from approximately \$79,000 in credit card and other debt as a result of the filing.

MARTIN PETERS is also charged in an Indictment with obtaining United States citizenship through a sham marriage by falsely claiming that he lived with an American citizen spouse in a marital union for the three years preceding the filing of his naturalization application.

MARTIN PETERS, 41, lives in Manhattan. CLAUDETTE PETERS, 58, and ALFRED PETERS, 68, live in Brooklyn.

If convicted of housing subsidies fraud, MARTIN PETERS, CLAUDETTE PETERS and ALFRED PETERS each face a maximum penalty of 10 years' imprisonment and a fine of \$250,000. In addition, if convicted of naturalization fraud, MARTIN PETERS faces a maximum penalty of 10 years' imprisonment, a fine of \$250,000 and the loss of United States citizenship. If convicted of bankruptcy fraud, MARTIN PETERS faces a maximum penalty of 5 years' imprisonment and a fine of \$250,000.

Mr. KELLEY praised the investigative efforts of the United States Marshals Service Regional Fugitive Task Force, HUD OIG and ICE for their work in these cases. He also thanked the

NYPD for its cooperation.

Assistant United States Attorney SERENE K. NAKANO is in charge of the prosecution.

The charges contained in the Indictment and Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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